The Church of Jesus of Christ of Latter-Day Saints Trust Board

Consolidated Financial Statements
31 December 2010

Photo: New Zealand Missionary Training Centre, dedicated 19 September 2010

The Church of Jesus Christ of Latter-Day Saints Trust Board

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Jesus Christ Visits the Americas, by John Scott, © IRI

And now ...remember, remember that it is upon the rock of our Redeemer, who is Christ, the Son of God, that ye must build your foundation; that when the devil shall send forth his mighty winds, yea, his shafts in the whirlwind, yea, when all his hail and his mighty storm shall beat upon you, it shall have no power over you to drag you down to the gulf of misery and endless wo, because of the rock upon which ye are built, which is a sure foundation, a foundation whereon if men build they cannot fall.

Helaman 5:12 (Book of Mormon)

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Comprehensive Income
For the year ended 31 December 2010
In thousands of New Zealand Dollars

		Group		Trust	
	Note	2010	2009	2010	2009
Income					
Tithing, grants and donations					
Tithing		28,437	26,667	28,437	26,685
Grant income		21,958	36,898	21,958	36,516
Donations		3,182	3,970	3,182	3,970
		53,577	67,535	53,577	67,171
Sales income					
Sale of Literature and Supplies		896	1,134	896	1,134
Other sales income		141	162	94	120
Cost of sales		(917)	(1,195)	(917)	(1,195)
Gross profit		120	102	73	59
Other income					
Rental income		1,522	836	1,522	836
Gain (Loss) on sale of assets		(434)	580	(434)	580
Other income		1,899	588	1,901	588
Interest income		113	209	113	209
Foreign exchange gains/ (losses)		7	78	7	78
		3,108	2,292	3,109	2,292
Expenditure					
Remuneration and other employee benefits	7	16,380	19,323	16,034	18,996
Defined benefit plan movements (excluding actuarial movements)		(1,723)	(3,144)	(1,723)	(3,144)
General and administrative expenses		11,899	11,323	11,826	11,226
Facility lease and operating costs		8,287	9,107	8,287	9,107
Depreciation		8,469	7,834	8,469	7,834
Grants, donations, humanitarian and local unit expenses		6,553	10,365	6,915	10,365
Total expenditure	6	49,865	54,808	49,808	54,384
Surplus for the year		6,939	15,120	6,951	15,137
Other comprehensive income					
Defined benefit plan actuarial gains/ (losses)		818	5,889	818	5,889
Total comprehensive income for the year		7,757	21,009	7,769	21,026

Statement of Changes in Equity
For the year ended 31 December 2010
In New Zealand Dollars

	Note	Group Retained earnings	Group Reserves	Group Total Equity	Trust Retained earnings	Trust Reserves	Trust Total Equity
Balance 1 January 2009		142,322	2,316	144,638	142,316	2,316	144,632
Total comprehensive income for the year							
Surplus for the year		15,120	-	15,120	15,137	-	15,137
Other comprehensive income		5,889		5,889	5,889	-	5,889
Total comprehensive income for the year		21,009	-	21,009	21,026	-	21,026
Transactions with non -owners recorded directly in equity							
Transfer between equity reserves	17	(15,805)	15,805	-	15,805	15,805	-
Transactions with owners recorded directly in equity		-	-	-	-	-	-
Balance 31 December 2009		147,526	18,121	165,647	147,537	18,121	165,658
Total comprehensive income for the year							
Surplus for the year		6,939	-	6,939	6,951		6,951
Other comprehensive income		818		818	818		818
Total comprehensive income for the year		7,757	-	7,757	7,769	-	7,769
Transactions with non -owners recorded directly in equity							
Transfers between equity reserves	17	(915)	915	-	915	915	-
Transactions with owners recorded directly in equity		-	-	-	-	-	-
Balance 31 December 2010		154,368	19,036	173,404	154,391	19,036	173,427

The accompanying notes form part of these financial statements

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Financial Position
As at 31 December 2010
In thousands of New Zealand Dollars

		Group		Trust	
	Note	2010	2009	2010	2009
Assets					
Current					
Cash and cash equivalents	8	7,339	7,051	7,335	7,043
Trade debtors and other receivables	9	2,174	1,441	2,172	1,439
Investments			105		105
Inventories	10	206	207	206	207
		9,719	8,805	9,713	8,795
Non current					
Property, plant and equipment	14	172,234	169,510	172,234	169,510
Total assets		181,953	178,315	181,948	178,305
Liabilities					
Current					
Trade creditors and other payables	11	1,699	2,656	1,699	2,640
Employee entitlements	12	2,489	3,738	2,461	3,733
		4,188	6,395	4,160	6,374
Non current					
Employee entitlements	12	4,361	6,273	4,361	6,273
Total liabilities		8,549	12,668	8,521	12,647
Equity					
Retained earnings		154,368	147,526	154,391	147,537
Reserves	17	19,036	18,121	19,036	18,121
Total equity		173,404	165,647	173,427	165,658
Total equity and liabilities		181,953	178,315	181,948	178,305

Helping in the Community - Over 100 handcrafted items were made by local Church members and delivered to Wellington Hospital's Neonatal Intensive care unit .

These financial statements are approved for issue by the Trust Board as at 20 July 2011.

A. NIUELUA

R. CHADDERTON

The accompanying notes form part of these financial statements

The Church of Jesus Christ of Latter-Day Saints Trust Board

Statement of Cash Flows
For the year ended December 2010
In New Zealand Dollars

		Group		Trust	
	Note	2010	2009	2010	2009
Cash flows from operating activities					
Receipt from Church Head Office in USA		20,700	36,898	20,700	36,516
Tithing, grant and donations receipts		32,877	30,635	32,877	30,652
Receipts from sales income		1,036	1,296	990	1,254
Other receipts from members and customers		2,794	1,981	2,795	1,983
Interest received		115	211	115	211
Payments to suppliers and employees		(45,607)	(52,170)	(45,557)	(51,767)
Net cash flows from operating activities	14	11,915	18,851	11,920	18,849
Cash flows from investing activities					
Purchase of investment		-	627	-	627
Proceeds from sale of property, plant and equipment		516	870	516	870
Purchase of property, plant and equipment		(12,143)	(19,332)	(12,143)	(19,332)
Net cash flows used in investing activities		(11,627)	(17,835)	(11,627)	(17,835)
Net increase in cash and cash equivalents		288	1,017	293	1,015
Cash and cash equivalents at beginning of year		7,051	6,034	7,043	6,028
Cash and cash equivalents at end of year		7,339	7,051	7,335	7,043

Helping in the Community - Church members provide food/meals after Christchurch earthquake.

1 Reporting entity

These financial statements comprise the separate financial statements of The Church of Jesus Christ of Latter-Day Saints Trust Board (the "Trust") ,and the consolidated financial statements of the Group, for the year ended 31 December 2010.

The Trust was created pursuant to a trust deed dated the 9th May 1921 and was incorporated by private act of the New Zealand Parliament entitled the "Church of Jesus Christ of Latter-day Saints Empowering" Act (1957/1).

The Trust is a charitable trust incorporated under the Charities Trusts Act 1957, and registered under the Charities Act 2005, and therefore is exempt from income tax.

The principle activity of the Trust is to advance the work of The Church of Jesus Christ of Latter-day Saints (the "Church") in New Zealand by providing it with all temporal support that is required in that effort. As the Church is a religious organisation, the Trust's purposes include the provision of temporal support to enable missionary work, establishing and maintaining bank accounts and buildings for congregations of the Church throughout New Zealand and the provision of curriculum and other goods and services to meet the needs of Sunday Schools and the Church's other auxiliary organisations. None of the Trust's work is carried on for pecuniary profit.

The registered address of the Trust is 11 Huron Street, Takapuna, Auckland.

2 Basis of consolidation

The Group financial statements consolidate the result, position and cash flows of the Trust (the "Parent) and its 100% owned subsidiary - LDS Family Services New Zealand (the "Subsidiary").

The Group financial statements consolidate the financial statements of the Trust and all subsidiary entities over which the Trust has the power to control the financial reporting and operating policies.

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant inter-group balances are eliminated on consolidation of group result, position and cash flows.

All subsidiaries have a reporting date of 31 December 2010 and accounting policies applied are consistent with the Trust.

The Trust's investment in the Subsidiary is carried at cost ,which is nil, in the separate financial statements of the Trust.

3 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to non profit-orientated entities, that qualify for and apply differential reporting concessions.

The Trust and Group qualify for Public Benefit reporting exemptions as its primary objective is to provide services to the community for social benefit and the Trust and Group has been established with a view to supporting that primary objective rather than financial return. All available public benefit reporting exemptions available under NZ IFRS have been adopted.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical costs basis, except financial assets stated at their fair value and defined benefit pension plan obligations measured at fair value.

Accrual accounting is used to recognise revenue and expenses and the consolidated financial statements have been prepared on a going concern basis.

(c) Presentation currency

The financial statements are presented in New Zealand dollars ($), which is the Trust and Group's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Significant areas of estimate and judgment in the current period included - measurement of the Deseret Defined Benefit Pension Plan funding obligations.

(e) Comparatives

The comparative financial period is 12 months. Comparatives have been reclassified from that reported in the 31 December 2009 financial statements where appropriate to ensure consistency with the presentation of the current year's performance and results. No prior-period adjustments have been posted and the comparative net financial position and performance is consistent with that reported in the 31 December 2009 authorised financial statements.

(f) Changes in accounting policy and disclosure

The accounting policies adopted for the year ended 31 December 2010 are consistent with those of the previous financial year.

The Trust and Group has reviewed changes to New Zealand equivalents to IFRS and IFRIC interpretations (including NZ IFRS 2, 3 and NZ IAS 27 and NZ IFRIC 17) as at 1 January 2011, and advises that these will result in no change to previous reporting or that the changes are not applicable.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Foreign currency translation

The Trust and Group hold financial assets denominated in foreign currencies. Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date, being the date when fair value is measured.

All realised and unrealised gains or losses on foreign currency translation are recognised in the Statement of Comprehensive Income.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(c) Trade and other receivables

Trade and other receivables are measured at cost less any impairment losses.

A provision for impairment is established where there is objective evidence that the Trust and Group will not be able to collect all amounts due according to the original terms of the receivable.

Receivables with a short duration are not discounted.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value (being the net selling price), with due allowance for any damaged and obsolete stock items.

Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Any write down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Income.

(e) Property, plant and equipment

Property, plant and equipment is measured at cost or valuation, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Capitalisation

All items of plant, equipment and vehicles are capitalised if the individual value is greater than $US10,000. All items with individual value below US$10,000 are expensed.

(ii) Additions

The cost of replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

(iii) Disposal

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the reported profit or loss.

(iv) Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment (except for land) over the estimated useful life of the asset. Depreciation is charged to the profit or loss in the Statement of Comprehensive Income. The following depreciation rates have been applied to each class of property, plant and equipment:

Land and improvements	30 to 40 years (improvements only)
Buildings and improvements	30 to 40 years
Furniture and fittings	3 years
Plant and equipment	3 to 10 years
Motor vehicles	3 years

The residual value of property, plant and equipment is reassessed annually.

(f) Trade and other payables

Trade and other payables are measured at amortised cost using the effective rate interest method.

(g) Provisions

A provision is recognised when the Trust and Group have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

A provision for onerous contracts is recognised when the expected benefits expected from the contract are lower than the unavoidable costs of meeting contract obligations.

(h) Employee entitlements

Short term benefits

Employee benefits that the Trust and Group expect to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Trust and Group recognises a liability for sick leave. The amount is calculated based on the unused sick leave entitlements that can be carried forward at balance date, to the extent that the Trust and Group anticipates that it will be used by staff to cover those future absences.

Deseret Benefit Plan

The Trust is the trustee of the Deseret Benefit Plan (the "Plan"), a registered superannuation scheme that provides employees of the Church with pension benefits on retirement. The Plan is a defined benefit pension scheme. As trustee of the Plan, the Trust is liable for any under underfunded past service pension obligations.

The liability amount recognized for defined benefit pension scheme obligations (if any), at each reporting date, is determined by actuarial valuation; and is the net total of the present value of the defined benefit pension scheme obligation, plus any actuarial gains, minus past service costs, minus the fair value at the Plan assets out of which the obligations will be settled.

Actuarial fair value movement of defined benefit pension funding obligations, are recognised in the period incurred, in the Statement of Comprehensive Income.

Past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested.

The rate used to discount pension plan benefit obligations is determined by the actuarial by reference to market yields at the end of the reporting period on high quality bonds. The currency and term of the corporate bond is consistent with the currency and estimated term of post employment benefit obligations.

Actuarial assumptions used in measuring fair value of defined benefit obligations are based on the Plan being a going concern at the balance sheet date. Actuarial assumptions are not adjusted for curtailment or settlement of the Plan, until this event occurs.

(i) GST

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

(j) Income tax

Due to its charitable status, the Trust and Group is exempt from liability to income tax.

(k) Financial instruments

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, investments and trade creditors and other payables. The Trust and Group held no derivative financial instruments (i.e. hedging instruments) in the years reported.

Financial assets and financial liabilities are recognised when the Trust and Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for those carried at fair value through profit or loss, which are measured at fair value.

Financial assets
The subsequent measurement of financial assets depends on their classification. The Trust and Group currently hold financial assets in one classification:

(i) Loans and receivables
Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Financial instruments classified as *loans and receivables* include: trade debtors and other receivable balances, cash and cash equivalents and investments.

The classification depends on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

Financial liabilities
All financial liabilities held by the Trust and Group are designated as "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method.

The Trust and Group have no off-balance sheet financial instruments.

Impairment of financial assets
All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables are presented in the Statement of Comprehensive Income, within expenses.

(l) Impairment

The carrying amounts of the Trust and Group assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

The estimated recoverable of assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicators exist, the Trust and Group estimate the asset's recoverable amount, to measure the reversal of any previous period impairment charges. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversals of impairment are recognised in the Statement of Comprehensive Income.

(m) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Trust and Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received. The Trust and Group assess its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Trust and Group's own account is recognised as gross revenue in the Statement of Comprehensive Income.

The following specific recognition criteria must be met before revenue is recognised:

Donations and grants

Donations and grants are recognised in the Statement of Comprehensive Income when received and all obligations associated with the donations and grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (income in advance).

Donated assets are recorded at their value at the date of donation. Like many other charitable organisations, the Trust and Group often receives the benefit of people's time and service carried out free of charge, and this type of donation which cannot be readily quantified, is not recorded in the financial statements.

Sale of goods

Revenue from the sale of goods is recognized in the Statement of Comprehensive Income when the significant risk and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date.

Interest

Interest revenue is recognised as the interest accrues (using the effective interest method).

Rental income

Income from the rental of property is recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

5 New NZ IFRS standards and interpretations not yet adopted

At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Trust and Group.

Management anticipates that all pronouncements will be adopted in the Trust and Group accounting policies for the first year beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Trust and Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact of the Trust and Group financial statements.

NZ IFRS 9 - Financial instruments (effective from 1 January 2013)

The IASB aims to replace IAS 39 *Financial Instruments: Recognition and Measurement*, in its entirety by the end of 2010, with the replacement standard to be effective for annual periods beginning 1 January 2013. The development of IFRS 9 has been split into three phases:
Phase 1: Classification and measurement.
Phase 2: Impairment methodology
Phase 3: Hedge accounting
In addition a separate project is dealing with de-recognition of financial instruments.

Phase 1 of the project was issued in November 2009 and entities that do not wish to adopt early are required to apply from 1 January 2013. NZ IFRS 9 requires an entity to classify financial assets at either amortised cost or fair value. At present entities are required to classify their financial assets into one of four categories: financial assets at fair value through profit and loss, held to maturity investments, loans and receivables and available-for-sale financial assets.

Management anticipates that this standard is not expected to have a material impact on the Trust and Group financial statements.

In thousands of New Zealand Dollars

6 Expenditure

Expenditure disclosed in the Statement of Comprehensive Income includes:	Group 2010	Group 2009	Trust 2010	Trust 2009
Audit fees - for financial statement audit	168	115	168	115
- for other services	-	-	-	-
Bank fees	19	59	19	59
Donations	2,375	7,610	2,737	7,992
Minimum lease payments - operating leases	1,994	1,854	1,994	1,854
Redundancy expenses	161	258	161	258

Donations above relate to payments made by the Trust Board on behalf of other Church entities in the Pacific Area. These payments were mostly taken over by another Church legal entity during 2010.

7 Remuneration and other employee benefits

	Group 2010	Group 2009	Trust 2010	Trust 2009
Salaries and Wages	13,353	15,797	13,064	15,522
Redundancy expenses	161	258	161	258
Other employee benefit expenses	2,866	3,268	2,810	3,215
	16,380	19,323	16,034	18,996

8 Cash and cash equivalents

	Group 2010	Group 2009	Trust 2010	Trust 2009
Cash at bank and in hand	2,111	1,696	2,108	1,689
At call funds	3,628	4,069	3,628	4,069
Short term deposits	1,599	1,285	1,599	1,285
	7,339	7,051	7,336	7,043

Cash at bank earns interest at floating rates on daily deposit balances.

Short term deposits are made for varying periods of between six months and one year depending on the immediate cash requirements of the Trust and Group, and earn interest at the respective short-term deposit rates.

The Church has a commitment with the Bank of New Zealand in the amount of $150,000 as security against payroll and other items (2009: $150,000)

Cash and cash equivalents include the following funds held in	Group 2010	Group 2009	Trust 2010	Trust 2009
Maori Agricultural College Scholarship Fund	43	-	43	-
Blair Johnson Education Trust	149	135	149	135
George Terry Trust	902	893	902	893
David Fisher Trust	13	13	13	13
Genealogical Trust	244	244	244	244
Area Education Fund	248	-	248	-
	1,599	1,285	1,599	1,285

Notes to the financial statements
In thousands of New Zealand Dollars

9 Trade debtors and other receivables

	Group		Trust	
	2010	2009	2010	2009
Trade receivables	697	898	695	896
GST receivable	1,237	1,040	1,237	1,040
Related party receivables	-	3	-	3
Other receivables	742	1	742	1
Less allowance for doubtful debts	(501)	(502)	(501)	(502)
	2,174	1,441	2,172	1,439

	Group		Trust	
Allowance for doubtful debts:	2010	2009	2010	2009
Opening balance	(502)	(425)	(502)	(425)
Doubtful debts collected	7	2	7	2
Current year provision movement	(6)	(79)	(6)	(79)
	(501)	(502)	(501)	(502)

All trade receivables are subject to credit risk exposure. There is no concentration of credit risk with respect to receivables outside the entity, as the entity has a large number of customers. The carrying amount of trade and other receivables approximates their fair value.

As at 31 December 2009 there were no significant debtor balances overdue (i.e. greater than 30 days) that had not been provided for.

9 Inventories

	Group		Trust	
	2010	2009	2010	2009
Family resource centre supplies	206	207	206	207
	206	207	206	207

10 Trade creditors and other payables

	Group		Trust	
	2010	2009	2010	2009
Trade creditors	1,169	1,572	1,169	1,572
Related party payables	-	-	-	-
Accrued expenses and other payables	530	1,085	530	1,069
	1,699	2,656	1,699	2,640

Trade creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

11 Employee benefit liabilities

	Group		Trust	
	2010	2009	2010	2009
Deseret benefit plan liability	4,361	6,273	4,361	6,273
Accrued redundancy expenses	653	1,914	653	1,914
Annual leave	947	929	947	929
Other payroll deductions	888	895	861	890
	6,850	10,011	6,822	10,006
Employee benefits liabilities have been allocated to the balance sheet as follows:				
Current	2,489	3,738	2,461	3,733
Non-current	4,361	6,273	4,361	6,273
	6,850	10,011	6,822	10,006

Employee benefit liabilities - continued

In 2006, the Trust Board announced the closure of the Church College of New Zealand. This has resulted in $160,851 (2009:$258,186) of redundancies being paid during the year and a provision of $653,366 (2009:$1,913,788) for redundancy benefits accruing at year end.

12 Deseret Benefit Plan

The Deseret Benefit Plan is a registered superannuation scheme that provides employees of the Church with pension benefits on retirement. Usually a member may exchange up to 25% of their pension for a lump sum, although full commutation is allowed in some cases. The Plan is currently open to new members.

Members contribute at a rate of 4% of their salaries. They can also make additional voluntary contributions at their own discretion. Member voluntary contributions attract a subsidy of two thirds of the member's voluntary contribution amount, subject to a maximum of 2% of salary less contribution tax.

The Church's contributions are determined by the Church after considering the advice of the Plan's actuary. Based on the actuary's advice from the latest statutory valuation carried out as at 1 April 2009 the Church is currently contributing at a rate of 19.9% of members' salaries, including ESCT. In addition the Church reimburses the Plan for the pensions paid to the disability pensioners.

Methodology

Membership information as at 31 March 2010 and 31 March 2009 has been used to determine the benefit obligation. The benefit obligation at 31 December 2009 has been 'rolled forward' from the 31 March 2009 liability position as this is the plan's review date.

The value of the Plan's assets are based on the information contained in ING's investment reports as at 31 December 2009 and 31 December 2010 plus an allowance for net current assets held within the Plan at those dates.

Tax on the Plan's investment income has been allowed for by using a discount rate net of investment tax at 30%. ESCT has been allowed for by adjusting the net asset in the balance sheet and the pension expense for contributions tax at 33%.

All actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

Membership information

Membership information is extracted from Mercer's administration records and a summary as at 31 March provided below:

	Trust and Group	
Membership	**2010**	**2009**
Disability pensioners	5	6
Active members	126	122
Pensioners	103	102
Average age		
Disability pensioners	54.8	56.3
Active members	47.9	48.2
Pensioners	71.8	71.8
Average pension and salary per annum		
Average pension of disability pensioners	$ 33,269	$ 31,486
Average pension of pensioners	$ 8,499	$ 8,466

Assumptions

The discount rate is the annualised New Zealand Government 10 year bond rate adjusted for investment tax of 28% - 4.3% and 4.3% as at 31 December 2010 and 31 December 2009 respectively.

The expected future return on the Plan's assets, net of tax and all expenses is 5.2% (2009: 5.2%)

Notes to the financial statements
In thousands of New Zealand Dollars

Deseret Benefit Plan (continued)

Member pensioner mortality has been based on NZLT 2005-2007 mortality tables, set back by 2 years. This is the same as the 1 April 2009 statutory valuation. No allowance has been made for future mortality improvements.

The pension increase rate is 2.0% pa, which is 80% of the assumed rate of inflation (2009: 2%).

The salary inflation rate has been assumed to be 4.5% pa; this is unchanged from the 2009 statutory valuation.

Retirement age is assumed to be 60 years.

Members are assumed to commute 25% of their pension entitlement for a lump sum at retirement using current commutation factors.

Accounting Policy
Actuarial gains and losses are recognised in Statement of Comprehensive Income in the year in which they occur.

Plan information
Active members have Defined Benefit style benefits with a pension payable on retirement, although partial commutation is allowed. Members can also contribute to a subsidised voluntary accumulation section. In addition, the Plan has pensioner and disability pensioner members.

Reconciliation of the Present Value of the Defined Benefit Obligation
As trustee of the Pension Plan, the Trust is liable for any under-funded past service pension obligations.

	Trust and Group	
Net funding position	**2010**	**2009**
Present value of defined benefit obligations	31,928	30,198
Fair value of scheme assets	29,006	25,995
Liability	2,922	4,203
Contributions tax	1,439	2,070
Liability with contributions tax	**4,361**	**6,273**
Reconciliation of the present value of defined benefit obligations		
Balance at beginning of year	**30,198**	**36,113**
Current service cost (net of member contributions)	1,075	1,497
Interest cost	1,274	1,224
Contributions by scheme participants	555	715
Actuarial (gains)/ losses	338	(5,713)
Benefits paid	(1,512)	(3,638)
	31,928	**30,198**
Reconciliation of fair value of plan assets		
Balance at beginning of year	**25,995**	**25,858**
Expected return on plan assets	1,370	1,346
Actuarial (gains)/ losses	1,156	176
Employer contributions (net of contribution tax)	1,442	1,538
Contributions by scheme participants	555	715
Benefits paid	(1,512)	(3,638)
	29,006	**25,995**

Notes to the financial statements
In thousands of New Zealand Dollars

Deseret Benefit Plan (continued)

	Trust and Group	
	2010	2009
Expense recognised in income statement		
Service cost (net of member contributions)	1,075	1,497
Interest cost	1,274	1,224
Expected return on plan assets	(1,370)	(1,346)
Recognised actuarial loss/ (gain)	(818)	(5,889)
Superannuation expense	**161**	**(4,514)**
Contributions tax	79	(2,223)
Superannuation expense plus contributions tax	**240**	**(6,737)**
Movement in net liability recognised in the balance sheet		
Opening balance	6,273	15,306
Superannuation expense plus contributions tax	240	(6,737)
Employer contributions including contributions tax	(2,152)	(2,296)
	4,361	**6,273**
Plan assets		
The percentage invested at each class at the balance sheet date:		
NZ shares	19%	10%
Global shares	32%	34%
Global fixed interest	20%	16%
NZ fixed interest	12%	30%
Property	10%	6%
Cash	6%	4%
	100%	**100%**

The fair value of plan assets includes no amounts relating to:
- Any of the employers' own financial instruments.
- Any property occupied by, or other assets used by, the employer.

The expected return on plan assets is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class. The returns used for each class are net of investment tax and all expenses.

	Trust and Group	
	2010	2009
Actual return on plan assets	2,526	1,522
Principal actuarial assumptions at the balance sheet date		
Discount rate	4.30%	4.30%
Salary rate increase	4.50%	4.50%
Expected rate of return on plan assets, net of all expenses (start of period)	5.20%	5.20%
Pensioner mortality tables	NZLT 05/07 - 2	NZLT 05/07 - 2
Historical information		
Present value of defined benefit obligation	31,928	30,198
Fair value of scheme assets	29,006	25,995
(Surplus)/ deficit in scheme	2,922	4,203
Experience adjustments (gain)/ loss - scheme assets	(1,156)	(176)
Experience adjustments (gain)/ loss - scheme liabilities	338	(2,910)
Assumptions change (gain)/ loss - scheme liabilities	-	(2,803)
Limitation on net asset (gain)/ loss	-	-

Expected contributions	**2010**	**2009**
Expected employer contributions net of contributions tax	1,526	2,154

Notes to the financial statements
In thousands of New Zealand Dollars

13 Property, plant and equipment

31 December 2010

	Land and improvements	Buildings and improvements	Furniture and fittings	Equipment	Vehicles	Total
Cost						
Balance 1 January 2010	55,275	185,534	153	300	5,469	246,731
Additions	2,405	9,177	-	-	1,617	13,199
Disposals	-	-	-	-	(1,535)	(1,535)
Balance 31 December 2010	57,680	194,711	153	300	5,551	258,395
Accumulated depreciation and impairment						
Balance 1 January 2009	(17,164)	(56,310)	(31)	(164)	(3,551)	(77,220)
Depreciation expense	(1,741)	(7,057)	(46)	(69)	(1,446)	(10,359)
Written back on disposal	-	-	-	-	1,419	1,419
Balance 31 December 2009	(18,905)	(63,367)	(77)	(233)	(3,578)	(86,160)
Carrying amount 31 December 2009	38,775	131,344	76	67	1,973	172,234

As at 31 December 2010 all property, plant and equipment of the Group was held by the Trust.

All items of plant,equipment and vehicles are capitalised only if the individual value is greater than US$10,000. All items with individual value below US$10,000 are expensed. Amount expensed 2010 $3,247,027 (2009: $1,388,166)

In thousands of New Zealand Dollars

Property, plant and equipment (continued)

31 December 2009

	Land and improvements	Buildings and improvements	Furniture and fittings	Equipment	Vehicles	Total
Cost						
Balance 1 January 2009	54,982	168,867	38	199	5,156	229,242
Additions	698	16,667	115	101	1,751	19,332
Disposals	(405)	-	-	-	(1,438)	(1,843)
Balance 31 December 2009	55,275	185,534	153	300	5,469	246,731
Accumulated depreciation and impairment						
Balance 1 January 2009	(16,152)	(50,969)	(17)	(131)	(3,670)	(70,939)
Depreciation expense	(1,012)	(5,341)	(14)	(33)	(1,433)	(7,833)
Written back on disposal	-	-	-	-	1,552	1,552
Balance 31 December 2009	(17,164)	(56,310)	(31)	(164)	(3,551)	(77,220)
Carrying amount 31 December 2009	38,111	129,224	122	136	1,918	169,510

As at 31 December 2009 all property, plant and equipment of the Group was held by the Trust.

In thousands of New Zealand Dollars

14 Reconciliation of profit for the year to net cash flows from operations

	Group		Trust	
	2010	2009	2010	2009
Surplus for the year	6,939	15,120	6,951	15,137
Other comprehensive income	818	5,889	818	5,889
Non cash items				
Depreciation	8,469	7,834	8,469	7,834
Items classified as investing activities				
Gain/(loss) on disposal of property, plant and equipment	434	(580)	434	(580)
Increase/decrease in investment	105	-	105	-
Movement in working capital				
Decrease/(increase) in trade and other payables	(10)	(731)	(17)	(748)
Decrease/(increase) in employee entitlements	(4,109)	(9,236)	(4,109)	(9,240)
Increase/(decrease) in trade debtors and other receivables	(733)	557	(733)	559
Increase/(decrease) in inventories	1	(1)	1	(1)
Net cash flow from operating activities	11,915	18,851	11,919	18,849

15 Lease commitments

Operating lease commitments payable	Group		Trust	
Minimum lease payments under non-cancellable operating	2010	2009	2010	2009
Not later than one year	301	204	301	204
Between one and two years	301	114	301	114
Two years to three years	151	-	151	-
	753	318	753	318

The Trust leases property, plant and equipment in the normal course of its operations. Leases can be renewed at the Trust's option.

16 Capital Management

Capital includes retained earnings of the Trust and Group. The primary objective of the Trust and Group's capital management policy is to ensure working capital is maintained in order to support its activities. The Patent and Group manage its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgeted discretionary expenditure is reduced to ensure external financing is not required.

Helping in the Community - Church members paint a classroom at Birkdale North School

Notes to the financial statements
In thousands of New Zealand Dollars

17 Equity reserves

Trust and Group 2010	Opening	Transfer from/(to) retained earnings	Closing
Missionary Funds	17,505	1,113	18,618
Book of Mormon Fund	85	18	103
Humanitarian Aid Fund	36	(34)	2
Temple Funds	495	(182)	313
Restricted Funds			
	18,121	915	19,036

Trust and Group 2009	Opening	Transfer from/(to) retained earnings	Closing
Missionary Funds	-	17,505	17,505
Book of Mormon Fund	65	20	85
Humanitarian Aid Fund	4	32	36
Temple Funds	2,247	(1,752)	495
Restricted Funds			
	2,316	15,805	18,121

All movements to and from Equity Reserves are through the Retained Earnings equity account in the Statement of Movement in Equity. No equity reserve movements are taken directly to equity and movements in equity reserves do not impact the Statement of Comprehensive Income.

Missionary Funds
The missionary support fund represents donations from the members in New Zealand towards the costs of the Church's worldwide missionary fund program which is co-ordinated and administered by The Corporation of the President of The Church of Jesus Christ of Latter-day Saints. Funds authorised for specified missionaries serving in New Zealand are released evenly over their mission term of either 18 months or two years. Currently, donations received from members is not adequate to cover the expenses associated with missionaries serving in New Zealand. The "shortfall" is funded from the unrestricted funds and brings the balance of this fund at year end to "nil."

Book of Mormon Fund
These funds are donated by the members towards the production and distribution costs of The Book of Mormon Another Testament of Jesus Christ. This expenses are recorded by The Church of Jesus Christ of Latter-day Saints in Salt Lake City.

Humanitarian Aid Fund
These funds are donated by the members to help fund the program of Humanitarian Aid approved by The Church of Jesus Christ of Latter-day Saints for aid throughout the world. Currently, donations received from members is not adequate to cover the expenses associated with aid received in New Zealand. The "shortfall" is funded from the unrestricted funds and brings the balance of this fund at year end to "nil."

Temple Funds
These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world.

Restricted funds
The Church operates a number of Restricted Funds to record amounts received over the years through bequests and testaments from members, the use of which is restricted. The bequest and testaments can only be used in accordance with benefactor's specific directions. The interest earned on the bequest and testaments is added to the original fund and similarly may only be used in accordance with the benefactor's specific directions.

Notes to the financial statements
In thousands of New Zealand Dollars

18 Related parties

(a) Parent and ultimate controlling party

The Parent and ultimate controlling party of Group is The Church of Jesus Christ of Latter-Day Saints Trust Board.

The Trust is related to the following subsidiaries:	Ownership		Investment	
	2010	2009	2010	2009
- LDS Family Services New Zealand	100%	100%	-	-

(b) Transactions with related parties

The Trust has a related party relationship with its Church Head Office in Salt Lake City, USA.

The Trust receives grants from the Church Head Office in Salt Lake City, USA, which subsidises part of the Trust's costs in performing its services. These amounts are recorded as grant income and is reported within the category of other revenue in the Statement of Comprehensive Income. Grant income totaled $20.7 million during the year ended 31 December 2010 (2009:$36.5 million).

The Trust also purchases items from the Church Head Office for distribution throughout New Zealand and the Pacific Islands. These amounts are recorded as grant expense and is reported within donations in the other expense category in the Statement of Comprehensive Income. These amounts totaled $2.7 million during the year ended 31 December 2010 (2009: $4.0 million).

(c) Key management personnel

The Trust and Group has a related party relationship with its trustees, directors and executive officers.

	2010	2009	2010	2009
Trustee fees	-		-	
Executive management remuneration	760	1,031	760	1,031

Total remuneration paid to key management personnel is made up of short-term employee benefits and no other post employment benefits, termination benefits or long term benefit arrangements have been expensed in the years reported.

19 Financial instruments

The carrying amount of all material balance sheet assets and liabilities are considered to be equivalent to their fair value . The Trust and Group have no off balance sheet financial instruments.

All financial assets held by the Trust and Group are classified as "loans and receivables" and carried at cost less accumulated impairment losses or "financial instruments at fair value through profit or loss.

All financial liabilities are measured at amortised cost using the effective interest rate method.

Helping in the Community - Members and full-time missionaries help those affected by the earthquake.

In thousands of New Zealand Dollars

(a) Risk management analysis

The Trust and Group are exposed to various risks in relation to financial instruments. The main types of risk are credit risk and liquidity risk. The Trust and Group has a series of policies to manage the risk associated with financial instruments. Policies have been established which do not allow transactions that are speculative in nature to be entered into.

(i) Credit risk

Credit risk is the risk that a third party default on its obligation to the Trust and Group, causing the Trust and Group to incur losses. The Trust and Group have no significant concentration of credit risk in relation to cash and accounts receivable. The Trust and Group do not expect the non-performance of any obligations at balance date. The carrying amount of trade and other receivables represents the Trust and Group's maximum exposure to credit risk at balance date.

The Trust and Group at balance date have no accounts receivable past due, that have not been provided for.

(ii) Liquidity risk

Liquidity risk represents the Trust and Group's ability to meet its contractual obligations as they fall due. The Trust and Group manages liquidity risk by managing cash flows and ensuring that adequate credit lines are in place to cover potential short falls.

Group 2010 *Contractual cash flows of financial instruments held*	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	7,339	7,339	7,339	-	-
Trade debtors and other receivables	2,174	2,174	2,174	-	-
Investments	206	206	206	-	-
	9,719	9,719	9,719	-	-
Liabilities					
Trade and other payables	1,699	1,699	1,699	-	-
Operating leases	-	753	151	151	301
Capital commitments	-	11	11	-	-
	1,699	2,463	1,861	151	301
Net liquidity position	8,020	7,256	7,858	(151)	(301)

Group 2009 *Contractual cash flows of financial instruments held*	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	7,051	7,051	7,051	-	-
Trade debtors and other receivables	1,441	1,441	1,441	-	-
Investments	105	105	105	-	-
	8,598	8,598	8,598	-	-
Liabilities					
Trade and other payables	2,656	2,656	2,656	-	-
Operating leases	-	318	102	102	114
Capital commitments	-	861	861	-	-
	2,656	3,835	3,619	102	114
Net liquidity position	5,941	4,762	4,978	(102)	(114)

In thousands of New Zealand Dollars

Financial instruments (continued)

Trust 2010 *Contractual cash flows of financial instruments held*	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	7,335	7,335	7,335	-	-
Trade debtors and other receivables	2,172	2,172	2,172	-	-
Investments	-	-	-	-	-
	9,508	9,508	9,508	-	-
Liabilities					
Trade and other payables	1,699	1,699	1,699	-	-
Operating leases	-	753	151	151	301
Capital commitments	-	11	11	-	-
	1,699	2,463	1,861	150.5	301
Net liquidity position	7,809	7,045	7,647	(151)	(301)

Trust 2009 *Contractual cash flows of* financial instruments held	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	Greater than 12 months
Assets					
Cash and cash equivalents	7,043	7,043	7,043	-	-
Trade debtors and other receivables	1,439	1,439	1,439	-	-
Investments	105	105	105	-	-
	8,588	8,588	8,588	-	-
Liabilities					
Trade and other payables	2,640	2,640	2,640	-	-
Operating leases	-	318	102	102	114
Capital commitments	-	861	861	-	-
	2,640	3,819	3,603	102	114
Net liquidity position	5,948	4,769	4,985	(102)	(114)

(b) Financial instrument classification

All financial assets held by the Trust and Group are classified as *loans and receivables* and measured at cost.

All financial liabilities held by the Trust and Group are classified as *loans and receivables* and measured at amortised cost using the effective interest rate method.

20 Capital commitments

The Trust and Group have capital commitments at balance date of $1,762,000 (2009: $11,875,000).

21 Contingent liabilities

The Trust and Group have no contingent liabilities at balance date (2009: Nil).

22 Subsequent events

The Church had 4 meetinghouses affected by the Canterbury earthquake on 4 September 2010, with 2 suffering greater damage.

A further large earthquake (aftershock) on February 22nd has further damaged these two buildings, one in Avonside and the other in Fendalton. While the final cost of repairs to these two meetinghouses cannot be determined, the Trust Board has sufficient resources to cover any related expenditure. (2009: Nil)

Liquefaction in carpark and damage on inner walls at the Avonside Chapel in Christchurch following the February 2011 earthquake.

23 Audit

The Financial Statements have not been audited.

John Key meets with Church leaders and missionaries at the opening of the new Mission Training Centre.